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TRADE AND DEVELOPMENT BOARD
Ad Hoc Working Group on Investment and
Financial Flows; Non-debt-creating
Finance for Development; New
Mechanisms for Increasing Investment
and Financial Flows
Third session
Geneva, 10 January 1994
Item 1 of the provisional agenda

ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

Provisional agenda and annotations to the provisional agenda

Note by the UNCTAD secretariat

I. PROVISIONAL AGENDA[1]

1. Adoption of the agenda and organization of work
2. Consideration of host and home country policies to promote foreign direct investment
3. Multilateral measures to promote foreign direct investment
4. Portfolio equity investment and new financing mechanisms
5. Provisional agenda for the fourth session of the Ad Hoc Working Group
6. Other business
7. Adoption of the report of the Ad Hoc Working Group to the Board.

[1] As approved by the Ad Hoc Working Group at its second session.

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II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1. Adoption of the agenda and organization of work

1. The provisional agenda for the third session was approved at the second session of the Working Group (see TD/B/WG.1/8, annex I). As provided for in the UNCTAD calendar of meetings, the Working Group will have available to it five working days, from 10 to 14 January 1994.

2. Arrangements have been made for two seminar-type discussions which are related to item 4 of the provisional agenda. On 10 and 11 January, a seminar will be held on foreign portfolio equity investment in developing countries and countries in transition. On 12 January, a seminar will take place on private financing of infrastructure projects in developing countries, with special emphasis on build-operate-transfer (BOT) arrangements. In accordance with the recommendation of the Working Group at its first session, non-governmental actors have been invited to attend both seminars.

3. During the remaining two days, 13 and 14 January, the Working Group will examine items 2 and 3, in the light of the country case studies, and reports by the UNCTAD secretariat, UNIDO and the World Bank. A tentative programme is contained in the annex.

Item 2: Consideration of host and home country policies and measures to promote foreign direct investment

4. As agreed at its second session, the Working Group will continue its discussions on host and home country policies and measures to promote FDI. The Working Group will have for its consideration two case studies submitted by Nigeria and Myanmar (TD/B/WG.1/Misc.3/Add.9 and Add.10). At the second session, country case studies were presented by Brazil, China, India, Republic of Korea, Mexico, Morocco, Netherlands, Philippines, and United States of America (TD/B/WG.1/Misc.3/Add.1-8).

5. In order to assist the Working Group in its further consideration of this subject, the UNCTAD secretariat has prepared a document entitled "Host country policies and measures to promote foreign direct investment: a synthesis of eight case studies" (TD/B/WG.1/10). The studies are those submitted by Brazil, China, India, Republic of Korea, Mexico, Morocco, Nigeria and Philippines. The Overview of World Investment Directory, Volume V, Africa and West Asia (forthcoming) will also be available.

Item 3: Multilateral measures to promote foreign direct investment

6. The Working Group will have for its consideration a report prepared by the World Bank entitled "The role of international financial institutions in promoting non-debt-creating flows to developing countries" (TD/B/WG.1/Misc.2/Add.8), as well as a report prepared by UNIDO entitled "UNIDO initiatives to promote non-debt-creating financial flows to developing countries, with particular reference to foreign direct investment" (TD/B/WG.1/Misc.2/Add.9).

Item 4: Portfolio equity investment and new financing mechanisms

7. With a view to assisting the Working Group in its consideration of this item, the UNCTAD secretariat has prepared a report entitled "Foreign portfolio equity investment in developing countries: current issues and prospects" (TD/B/WG.1/11). The report reviews trends in foreign portfolio equity flows to developing countries and the factors behind these trends. It analyses the role of stock markets and the macroeconomic and financial impact of foreign portfolio equity investment, and examines measures to attract these flows.

8. Two background documents will also be available. The first is a consultant study entitled "Capital markets, foreign portfolio investment and economic development" (UNCTAD/GID/DF/4). The second is a consultant report on private

financing of infrastructure projects in developing countries, with special emphasis on build-operate-transfer (BOT) arrangements (UNCTAD/GID/DF/5).

Item 5: Provisional agenda for the fourth session of the Ad Hoc Working Group

9. A draft provisional agenda for the fourth session of the Ad Hoc Working Group on Investment and Financial Flows will be submitted for consideration in the light of discussions during the third session.

Item 6: Other business

Item 7: Adoption of the report of the Ad Hoc Working Group to the Board

ANNEX

Tentative programme

10-12 January:	Seminar-type discussions on: (1) foreign portfolio equity investment in developing countries and countries in transition, and (2) private financing of infrastructure projects in developing countries, with special emphasis on BOT arrangements
Monday 10 January 1994	
10.00 a.m. Plenary	Opening of the session Item 1: Adoption of the agenda and organization of work
10.15 a.m. - 1.00 p.m. Seminar	Item 4: Portfolio equity investment and new financing mechanisms. Seminar-type discussion on foreign portfolio equity investment in developing countries and countries in transition Topic: Factors determining portfolio equity flows
3.00 p.m. - 6.00 p.m. Seminar	Topic: Policy issues: the role of stock markets; improving standards of emerging markets; macroeconomic and financial impact of foreign portfolio equity investment
Tuesday 11 January 1994	
10.00 a.m. - 1.00 p.m. Seminar	Topic: Policy issues (continued)
3.00 p.m. - 6.00 p.m. Seminar	Topic: Prospects for portfolio equity flows: the role of host and home countries
Wednesday 12 January 1994	
10.00 a.m. - 1.00 p.m. Seminar	Item 4: (continued) Seminar-type discussion on private financing of infrastructure projects in developing countries, with special emphasis on build-operate-transfer (BOT) arrangements Topic: The costs and benefits of BOTs
3.00 p.m. - 6.00 p.m. Seminar	Topic: Problems of implementation and prospects for developing countries
Thursday 13 January 1994	
10.00 a.m. - 1.00 p.m. Informal meeting	Item 2: Consideration of host and home country policies to promote foreign direct investment
3.00 p.m. - 6.00 p.m. Informal meeting	Item 2: (continued)

Friday 14 January 1994

10.00 a.m. - 1.00 p.m.
Informal meeting

Item 3: Multilateral measures to promote foreign direct investment

3.00 p.m. - 6.00 p.m.
Plenary

Item 5: Provisional agenda for the fourth session

Item 6: Other business

Item 7: Adoption of the report of the Ad Hoc Working Group to the Board